

SEP 17 1985

1 RENT ORDINANCE AS OF NOVEMBER 19, 1984.

2 FILE NO. 188-79

ORDINANCE NO. 276-79 UNIVERSITY OF CALIFORNIA

3 AN EMERGENCY ORDINANCE AMENDING THE SAN FRANCISCO ADMINISTRATIVE  
4 CODE BY ADDING CHAPTER 37 THERETO TO ESTABLISH A RENTAL  
5 STABILIZATION AND ARBITRATION BOARD AND PRESCRIBING THE DUTIES  
6 AND POWERS THEREOF; SETTING FORTH GUIDELINES FOR RENTAL  
7 INCREASES; CREATING A CITIZENS' HOUSING TASK FORCE; PROVIDING FOR  
8 TERMINATION DATE.

9 Be it ordained by the People of the City and County of San  
10 Francisco:

11 Section 1. The San Francisco Administrative Code is hereby  
12 amended by adding Chapter 37 thereto reading as follows:

13 CHAPTER 37

14 RESIDENTIAL RENT STABILIZATION AND ARBITRATION ORDINANCE

15 Sec. 37.1 Title & Findings

16 (a) This chapter shall be known as the Residential Rent  
17 Stabilization and Arbitration Ordinance.

18 (b) The Board of Supervisors hereby finds:

19 (1) There is a shortage of decent, safe and sanitary  
20 housing in the City and County of San Francisco  
21 resulting in a critically low vacancy factor.

22 (2) Tenants displaced as a result of their inability  
23 to pay increased rents must relocate but as a result  
24 of such housing shortage are unable to find decent,  
25 safe and sanitary housing at affordable rent levels.  
26 Aware of the difficulty in finding decent housing,  
27 some tenants attempt to pay requested rent increases,  
28 but as a consequence must expend less on other

1 necessities of life. This situation has had a  
2 detrimental effect on substantial numbers of renters  
3 in the City, especially creating hardships on senior  
4 citizens, persons on fixed incomes and low and  
5 moderate income households.

6 (3) The problem of rent increases reached crisis  
7 level in the spring of 1979. At that time the Board  
8 of Supervisors conducted hearings and caused studies  
9 to be made on the feasibility and desirability of  
10 various measures designed to address the problems  
11 created by the housing shortage.

12 (4) In April, 1979, pending development and adoption  
13 of measures designed to alleviate the City's housing  
14 crisis, the Board of Supervisors adopted Ordinance  
15 No. 181-79 prohibiting most rent increases on  
16 residential rental properties for 60 days. Ordinance  
17 No. 181-79 is scheduled to expire no later than June  
18 30, 1979.

19 (5) The provisions of Ordinance No. 181-79 have  
20 successfully reduced the rate of rent increases in  
21 the City, along with the concomitant hardships and  
22 displacements. However, a housing shortage still  
23 exists within the City and County of San Francisco  
24 and total deregulation of rents at this time would  
25 immediately lead to widespread exorbitant rent  
26 increases and recurrence of the crisis, problems and  
27 hardships which existed prior to the adoption of the  
28 moratorium measure.



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(6) This ordinance shall be in effect for fifteen (15) months. During this time, a Citizens' Housing Task Force shall be created to conduct a further study of and make recommendations for, the problems of housing in San Francisco. In the interim, some immediate measures are needed to alleviate San Francisco's housing problems. This ordinance, therefore, creates a Residential Rent Stabilization and Arbitration Board in order to safeguard tenants from excessive rent increases and, at the same time, to assure landlords fair and adequate rents consistent with Federal Anti-Inflation Guidelines.

[Sec. 37.2 Amended by Ord. #20-84 effective February 19, 1984]

Sec. 37.2 Definitions.

(a) Base Rent. That rent which is charged a tenant upon initial occupancy plus any rent increase allowable and imposed under this chapter; provided, however, that base rent shall not include increases imposed pursuant to Section 37.7 below or utility passthroughs pursuant to Section 37.2(o) below. Base rent for tenants of RAP rental units in areas designated on or after July 1, 1977 shall be that rent which was established pursuant to Section 32.73-1 of the San Francisco Administrative Code. Rent increases attributable to the Chief Administrative Officer's amortization of a RAP loan in an area designated on or after July 1, 1977 shall not be included in the base rent.

(b) Board. The Residential Rent Stabilization and Arbitration Board.

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1 (c) Capital Improvements. Those improvements which  
2 materially add to the value of the property, appreciably prolong  
3 its useful life, or adapt it to new uses, and which may be  
4 amortized over the useful life of the improvement of the building.

5 (d) CPI. Consumer Price Index for all Urban Consumers  
6 for the San Francisco-Oakland Metropolitan Area, U.S. Department  
7 of Labor.

8 (e) Energy Conservation Measures. Work Performed pursuant  
9 to the requirements of Article 12 of the San Francisco Housing  
10 Code.

11 (f) Hearing Officer. A person, designated by the board,  
12 who arbitrates rental increase disputes.

13 (g) Housing Services. Services provided by the landlord  
14 connected with the use or occupancy of a rental unit including,  
15 but not limited to, repairs, replacement, maintenance, painting,  
16 light, heat, water, elevator service, laundry facilities and  
17 privileges, janitor service, refuse removal, furnishings,  
18 telephone, parking and any other benefits, privileges or  
19 facilities.

20 (h) Landlord. An owner, lessor, sublessor, who receives  
21 or is entitled to receive rent for the use and occupancy of any  
22 residential rental unit or portion thereof in the City and County  
23 of San Francisco, and the agent, representative or successor of  
24 any of the foregoing.

25 (i) Member. A member of the Residential Rent  
26 Stabilization and Arbitration Board.

27 (j) Rap. Residential Rehabilitation Loan Program  
28 (Chapter 32, San Francisco Administrative Code).



1           (k)   RAP Rental Units. Residential dwelling units subject  
2 to RAP loans purusant to Chapter 32, San Francisco Administrative  
3 Code.

4           (l)   Real Estate Department. A city department in the  
5 City and County of San Francisco.

6           (m)   Rehabilitation Work. Any rehabilitation or repair  
7 work done by the landlord with regard to a rental unit, or to the  
8 common areas of the structure containing the rental unit, which  
9 work was done in order to be in compliance with State or local  
10 law, or was done to repair damage resulting from fire, earthquake  
11 or other casualty or natural disaster.

12           (n)   Rent. The consideration, including any bonus,  
13 benefits or gratuity, demanded or received by a landlord for or  
14 in connection with the use or occupancy of a rental unit, or the  
15 assignment of a lease for such a unit, including but not limited  
16 to monies demanded or paid for parking, furnishings, food  
17 service, housing services of any kind, or subletting.

18           (o)   Rent Increases. Any additional monies demanded or  
19 paid for rent as defined in item (n) above, or any reduction in  
20 housing services without a corresponding reduction in the monies  
21 demanded or paid for rent; provided, however, that where the  
22 landlord has been paying the tenant's utilities and cost of those  
23 utilities increase, the landlord's passing through to the tenant  
24 of such increased costs does not constitute a rent increase.

25           (p)   Rental Units. All residential dwelling units in the  
26 City and County of San Francisco together with the land and  
27 appurtenant buildings thereto, and all housing services,  
28 privileges, furnishings and facilities supplied in connection

1 with the use or occupancy thereof, including garage and parking  
2 facilities. The term shall not include:

3 (1) housing accommodations in hotels, motels, inns,  
4 tourist houses, rooming and boarding houses, provided  
5 that at such time as an accommodation has been occupied  
6 by a tenant for thirty-two (32) continuous days or more,  
7 such accommodation shall become a rental unit subject to  
8 the provisions of this chapter; provided further, no  
9 landlord shall bring an action to recover possession of  
10 such unit in order to avoid having the unit come within  
11 the provisions of this chapter. An eviction for a  
12 purpose not permitted under Sec. 37.9(a) shall be deemed  
13 to be an action to recover possession in order to avoid  
14 having a unit come within the provisions of this chapter;

15 (2) dwelling units in non-profit cooperatives owned,  
16 occupied and controlled by a majority of the residents;

17 (3) housing accommodations in any hospital, convent,  
18 monastery, extended care facility, asylum, non-profit  
19 home for the aged, or in dormitories owned and operated  
20 by an institution of higher education, a high school, or  
21 an elementary school;

22 (4) dwelling units whose rents are controlled or  
23 regulated by any government unit, agency or authority,  
24 excepting those unsubsidized and/or unassisted units  
25 which are insured by the United States Department of  
26 Housing and Urban Development;

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1 (5) owner-occupied buildings containing four (4)  
2 residential rental units or less, wherein owner has  
3 resided for at least six continuous months;  
4 (6) rental units located in a structure for which a  
5 certificate of occupancy was first issued after the  
6 effective date of this ordinance;  
7 (7) dwelling units in a building which has undergone  
8 substantial rehabilitation after the effective date of  
9 this ordinance; provided, however, that RAP rental units  
10 are not subject to this exemption.

11 (q) Substantial Rehabilitation. The renovation,  
12 alteration or remodeling of residential units of 50 or more years  
13 of age which have been condemned or which do not qualify for  
14 certificates of occupancy or which require substantial renovation  
15 in order to conform the building to contemporary standards for  
16 decent, safe and sanitary housing. Substantial rehabilitation  
17 may vary in degree from gutting and extensive reconstruction  
18 extensive improvements that cure substantial deferred  
19 maintenance. Cosmetic improvements alone such as painting,  
20 decorating and minor repairs, or other work which can be  
21 performed safely without having the unit vacated do not qualify  
22 as substantial rehabilitation.

23 (r) Tenant. A person entitled by written or oral  
24 agreement, sub-tenancy approved by the landlord, or by suffrance,  
25 to occupy a residential dwelling unit to the exclusion of others.

26 (s) Utilities. The term "utilities" shall refer to gas  
27 and electricity exclusively.  
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1 [Sec. 37.3 Amended by Ord. #20-84 effective February 19, 1984]

2 Sec. 37.3.A. Rent Limitations.

3 (a) Rent Increase Limitations for Tenants in Occupancy.

4 Landlords may impose rent increases upon tenants in occupancy  
5 only as provided below:

6 (1) Annual Rent Increase. On March 1 of each year, the  
7 Board shall publish the increase in the CPI for the  
8 preceding 12 months, as made available by the U.S.  
9 Department of Labor. A landlord may impose annually a  
10 rent increase which does not exceed a tenant's base rent  
11 by more than 60% of said published increase. In no  
12 event, however, shall the allowable annual increase be  
13 less tha 4% or greater than 7%.

14 (2) Banking. A landlord who refrains form imposing an  
15 annual rent increase or any portion thereof may  
16 accumulate said increase and impose that amount on the  
17 tenant's subsequent rent increase anniversary dates. A  
18 landlord who, between April 1, 1982 and February 29,  
19 1984, has banked an annual 7% rent increase (or rent  
20 increases) or any portion thereof may impose the  
21 accumulated increase on the tenant's subsequent rent  
22 increase anniversary dates.

23 (3) Capital Improvements, Rehabilitation, and Energy  
24 Conservation Measures. A landlord may impose rent  
25 increases based upon the cost of capital improvements,  
26 rehabilitation or energy conservation measures provided  
27 that such costs are certified pursuant to Section 37.7  
28 below.



1 (4) Utilities. A landlord may impose increases based  
2 upon the cost of utilities as provided in Section  
3 37.2(o) above.

4 (5) RAP Loans. A landlord may impose rent increases  
5 attributable to the Chief Administrative Officer's  
6 amortization of the RAP loan in an area designated on or  
7 after July 1, 1977 pursuant to Chapter 32 of the San  
8 Francisco Administrative Code.

9 (6) Additional Increases. A landlord who seeks to  
10 impose any rent increase which exceeds those permitted  
11 above shall petition for a rental arbitration hearing  
12 pursuant to Section 37.8 of this chapter.

13 (b) Notice of Rent Increase for Tenants in Occupancy. On  
14 or before the date upon which a landlord gives a tenant legal  
15 notice of a rent increase, the landlord shall inform the tenant,  
16 in writing, of the following:

17 (1) Which portion of the rent increase reflects the  
18 annual increase;

19 (2) Which portion of the rent increase reflects a  
20 banked amount, if any, pursuant to Section 37.3A(a)(2);

21 (3) Which portion of the rent increase reflects costs  
22 for capital improvements, rehabilitation, or energy  
23 conservation measures certified pursuant to Section 37.7;

24 (4) Which portion of the rent increase reflects the  
25 passthrough of charges for gas and electricity, which  
26 charges shall be explained;

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1 (5) Which portion of the rent increase reflects the  
2 amortization of the RAP loan, as described in Section  
3 37.3A(a)(5) above.

4 (6) Nonconforming Rent Increases. Any rent increase  
5 which does not conform with the provisions of this  
6 section shall be null and void.

7 Sec. 37.4. Establishment; Appointment; Terms; Executive  
8 Secretary; Funding; Compensation.

9 (a) There is hereby established a board to be known as  
10 the San Francisco Residential Rent Stabilization and Arbitration  
11 Board (hereinafter called "board"), consisting of five (5)  
12 members. Members, each of whom shall have a specific alternate  
13 having the same qualifications as the member, shall serve at the  
14 pleasure of the Mayor. All members and alternates shall be  
15 appointed by the Mayor.

16 (b) The board shall consist of two (2) landlords, two (2)  
17 tenants, and one (1) person who is neither a landlord nor a  
18 tenant and who owns no residential rental property and an  
19 alternate for each specific member. All members shall be  
20 residents of the City and County of San Francisco.

21 (c) In accordance with applicable state law, all members  
22 shall disclose all present holdings and interests in real  
23 property, including interests in corporations, trusts or other  
24 entities with real property holdings.

25 (d) All members shall be appointed by the Mayor to serve  
26 fifteen (15) month terms. All vacancies occurring during a term  
27 shall be filled for the unexpired term.

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1 (e) Commencing with the date upon which the first members  
2 take office, the board shall elect a chairman and vice-chairman  
3 from among its members.

4 (f) The position of executive secretary to the board  
5 shall be established pursuant to and subject to Charter Sections  
6 3.500 and 8.200. The person occupying the position of executive  
7 secretary shall be appointed by the chairman of the board with  
8 the approval of a majority of the members. All staff personnel  
9 shall be under the immediate direction and supervision of the  
10 executive secretary.

11 (g) Pursuant to the budgetary and fiscal provisions of  
12 the Charter, the board of supervisors shall provide funds to pay  
13 for staff personnel, services and facilities as may be reasonably  
14 necessary to enable the board to exercise its powers and perform  
15 its duties under this chapter. A special fund to be known as the  
16 Residential Rent Stabilization and Arbitration Fund shall be  
17 established under the supervision and direction of the board for  
18 the receipt of fees under this chapter, such fees to be  
19 appropriated by the Board of Supervisors for the operation of the  
20 board.

21 (h) Subject to the budgetary and fiscal limitations of  
22 the Charter, each member shall be paid \$75 per Commission meeting  
23 attended if the meeting lasts for 6 hours or more in a single 24  
24 hour period. The Commission shall adopt rules to allow for  
25 payment of an equitable portion of this per diem if a meeting  
26 lasts less than six hours. Total per diem shall not exceed \$750  
27 per month. In addition, each member may receive reimbursement  
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1 for actual expenses incurred in the course and scope of the  
2 member's duties.

3 Sec. 37.5. Meetings of the Board.

4 (a) Time and Place of Meetings. The board shall meet as  
5 often as necessary to stay current with the workload but in no  
6 event less than once a month. The time and place of meetings  
7 shall be determined by rules adopted by the board. The first  
8 meeting shall be held within fifteen (15) days of the appointment  
9 of the first board. The matter of establishing standards for the  
10 selection of hearing officers shall be considered at the first  
11 meeting.

12 (b) Quorum. A quorum for the transaction of official  
13 business shall consist of a majority of the total board members.  
14 No action may be taken by the board at any meeting attended by  
15 less than the quorum. A decision by the board shall require a  
16 majority of all of the members of the board.

17 (c) Special Meetings. The board may hold special  
18 meetings in accordance with Charter Section 3.500.

19 (d) Meetings Open and Public. All meetings of the board  
20 shall be open and public in accordance with the Charter and  
21 applicable state law.

22 [Sec. 37.6 Amended by Ord. #20-84 effective February 19, 1984].

23 Sec. 37.6 Powers and Duties. In addition to other powers and  
24 duties set forth in this chapter, and in addition to powers under  
25 the Charter, the board shall have the power to:

26 (a) Promulgate policies, rules and regulations to  
27 effectuate the purposes of this chapter;

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1           (b) Hire such staff, including hearing officers, as may  
2 be reasonably necessary to perform its functions, and promulgate  
3 standards for all such staff, subject to the Civil Service  
4 provisions of the Charter;

5           (c) Conduct rental arbitration hearings and administer  
6 oaths and affirmations in connection with such hearings;

7           (d) Publish, on March 1 of each year, the increase in the  
8 CPI for the preceding 12 months, as made available by the U.S.  
9 Department of Labor.

10          (e) Make studies and surveys and conduct such hearings as  
11 necessary to perform its functions;

12          (f) Report bi-annually to the mayor and the board of  
13 supervisors on its activities and on progress made towards the  
14 achievement of the purposes of the chapter;

15          (g) Make available to the public, on request, policies,  
16 rules and regulations, reports and surveys in accordance with  
17 applicable state law;

18          (h) Issue rules and regulations for the conduct of its  
19 own affairs;

20          (i) Be empowered to request and, if granted, to receive  
21 funds appropriated by the Board of Supervisors through the mayor.

22 [Sec. 37.7 Amended by Ord. #438-83 effective October 2, 1983]

23 Sec. 37.7. Certification of Rental Increases for Capital  
24 Improvements, Rehabilitation and Energy Conservation Measures.

25          (a) Authority. In accordance with such guidelines as the  
26 board shall establish, the board and designated hearing officers  
27 shall have the authority to conduct hearings in order to certify  
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1 rental increases to the extent necessary to amortize the cost of  
2 capital improvements, rehabilitation, and energy conservation  
3 measures. Costs determined to be attributable to such work shall  
4 be amortized over a period which is fair and reasonable for the  
5 type and the extent of the work and which will provide an  
6 incentive to landlords to maintain, improve and renovate their  
7 properties while at the same time protecting tenants from  
8 excessive rent increases. Costs attributable to routine repair  
9 and maintenance shall not be certified.

10 (b) Requirements for Certification. The board and  
11 designated hearing officers may only certify the costs of capital  
12 improvements, rehabilitation, and energy conservation measures  
13 where the following criteria are met:

- 14 (1) The landlord completed capital improvements or  
15 rehabilitation on or after April 15, 1979, or the  
16 landlord completed installation of energy  
17 conservation measures on or after July 24, 1982 and  
18 has filed a proof of compliance with the Bureau of  
19 Building Inspection in accordance with the  
20 requirements of Section 1207(d) of the Housing Code;
- 21 (2) The landlord has not yet increased the rent or  
22 rents to reflect the cost of said work;
- 23 (3) The landlord has not been compensated for the  
24 work by insurance proceeds;
- 25 (4) The building is not subject to a RAP loan in a  
26 RAP area designated prior to July 1, 1977.

27 (c) Amortization and Cost Allocation. The board shall  
28 establish amortization periods and cost allocation formulas.



1 Costs shall be allocated to each unit according to the benefit of  
2 the work attributable to such unit.

3 (d) Estimator. The board or its Executive Secretary may  
4 hire an estimator where an expert appraisal is required.

5 (e) Filing Fee. The board shall establish a filing fee  
6 based upon the cost of the capital improvement, rehabilitation,  
7 or energy conservation measures being reviewed. Such fees will  
8 pay for the costs of an estimator and the administrative overhead  
9 of the Board in connection therewith.

10 (f) Application Procedure.

11 (1) Filing. Landlords who seek to pass through the  
12 costs of capital improvements, rehabilitation, or  
13 energy conservation measures must file an application  
14 on a form prescribed by the board. The application  
15 shall be accompanied by such supporting materials as  
16 the board shall prescribe. All applications must be  
17 submitted with the filing fee established by the  
18 board.

19 (2) Filing Date. Applications must be filed prior  
20 to the mailing or delivery of legal notice of a rent  
21 increase to the tenants of units for which the  
22 landlord seeks certification.

23 (3) Effect of Filing Application. Upon the filing  
24 of the application, the requested increases will be  
25 inoperative until such time as the hearing officer  
26 makes findings of fact at the conclusion of the  
27 certification hearing.

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1 (4) Notice to Parties. The board shall calendar the  
2 application for hearing before a designated hearing  
3 officer and shall give written notice of the date to  
4 the parties at least 10 days prior to the hearing.

5 (g) Certification Hearings.

6 (1) Time of Hearing. The hearing shall be held  
7 within 45 days of the filing of the application.

8 (2) Consolidation. To the greatest extent possible,  
9 certification hearings with respect to a given  
10 building shall be consolidated. Where a landlord  
11 and/or tenant has filed a petition for hearing based  
12 upon the grounds and under the procedure set forth in  
13 Section 37.8, the board may, in its discretion,  
14 consolidate certification hearings with hearings on  
15 Section 37.8 petitions.

16 (3) Conduct of Hearing. The hearing shall be  
17 conducted by a hearing officer designated by the  
18 board. Both parties may offer such documents,  
19 testimony, written declarations or other evidence as  
20 may be pertinent to the proceedings. Burden of proof  
21 is on the landlord. A record of the proceedings must  
22 be maintained for purposes of appeal.

23 (4) Determination of the Hearing Officer. In  
24 accordance with the board's amortization schedules  
25 and cost allocation formulas, the hearing officer  
26 shall make findings as to whether or not the proposed  
27 rent increases are justified based upon the following  
28 considerations:



1 (A) The application and its supporting  
2 documentation.

3 (B) Evidence presented at the hearing  
4 establishing both the extent and the cost of the work  
5 performed

6 (C) Estimator's report, where such report has  
7 been prepared.

8 (D) Any other such relevant factors as the board  
9 shall specify in Rules and Regulations.

10 (5) Findings of Fact. The hearing officer shall  
11 make written findings of fact, copies of which shall  
12 be mailed within 30 days of the hearing.

13 (6) Payment or Refund of Rents to Implement  
14 Certification Decision. If the hearing officer finds  
15 that all or any portion of the heretofore inoperative  
16 rent increase is justified, the tenant shall be  
17 ordered to pay the landlord that amount. If the  
18 tenant has paid an amount to the landlord which the  
19 hearing officer finds unjustified, the hearing  
20 officer shall order the landlord to reimburse the  
21 tenant said amount.

22 (7) Finality of Hearing Officer's Decision. The  
23 decision of the hearing officer shall be final unless  
24 the board vacates his or her decision on appeal.

25 (8) Appeals. Either party may file an appeal of the  
26 hearing officer's decision with the board. Such  
27 appeals are governed by Section 37.8(f) below.  
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1 [Sec. 37.8 Amended by Ord. #438-83 effective October 2, 1983]

2 Section 37.8. Arbitration of Rental Increase Adjustments.

3 (a) Authority of Board and Hearing Officers. In  
4 accordance with such guidelines as the board shall establish, the  
5 board and designated hearing officers shall have the authority to  
6 arbitrate rental increase adjustments and to administer the rent  
7 increase protest procedures with respect to RAP rental units as  
8 set forth in Chapter 32 of the San Francisco Administrative Code.

9 (b) Request for Arbitration.

10 (1) Landlords. Landlords who seek to impose rent  
11 increases which exceed the limitations set forth in  
12 Section 37.3(a) above must request an arbitration  
13 hearing as set forth in this section. Burden of  
14 proof is on the landlord.

15 (2) Tenants.

16 (a) Notwithstanding Section 37.3, tenants of  
17 non-RAP rental units and tenants of RAP rental  
18 units in areas designated on or after July 1, 1977  
19 may request arbitration hearings where a landlord  
20 has substantially decreased services without a  
21 corresponding reduction in rent and/or has failed  
22 to perform ordinary repair and maintenance under  
23 state or local law and/or has failed to provide the  
24 tenant with a clear explanation of the charges for  
25 gas and electricity passed through to the tenant.  
26 Burden of proof is on the tenant.

27 (b) Tenants of RAP rental units in areas  
28 designated prior to July 1, 1977 may petition for a



1 hearing where the landlord has noticed an increase  
2 which exceeds the limitations set forth in Section  
3 32.73 of the San Francisco Administrative Code.  
4 After a vacancy has occurred in a RAP rental unit  
5 in said areas, a new tenant of said unit may  
6 petition for a hearing where the landlord has  
7 demanded and/or received a rent for that unit which  
8 exceeds the rent increase limitation set forth in  
9 Section 32.73 of the San Francisco Administrative  
10 Code. Burden of proof is on the landlord.

11 (c) Procedure for Landlord Petitioners.

12 (1) Filing. The request for arbitration must be  
13 filed on a petition form prescribed by the board and  
14 shall be accompanied by such supporting material as  
15 the board shall prescribe, including but not limited  
16 to, justification for the proposed rental increase.  
17 All applications must be accompanied by a filing fee  
18 of fifteen dollars (\$15) per rental unit, provided  
19 that landlord in any consolidated case shall pay a  
20 fee not to exceed \$150 in any single case, said fees  
21 to be reviewed by the board and the cost analysis of  
22 the first six (6) months be prepared and submitted to  
23 the Board of Supervisors not later than seven (7)  
24 months after the effective date of said amendment.

25 (2) Filing Date. The petition must be filed prior  
26 to the mailing or delivering to the tenant or tenants  
27 legal notice of the rental increase exceeding the  
28 limitations as defined in Section 37.3.

1 (3) Effect of Timely Filing of Petition. Provided  
2 a completed petition is timely filed, that portion of  
3 the requested rental increase which exceeds the  
4 limitations set forth in Section 37.3 and has not  
5 been certified as a justifiable increase in  
6 accordance with Section 37.7 is inoperative until  
7 such time as the hearing officer makes findings of  
8 fact at the conclusion of the arbitration hearing.

9 (4) Notice to Parties. The board shall calendar the  
10 petition for hearing before a designated hearing  
11 officer and shall give written notice of the date to  
12 the parties at least ten (10) days prior to the  
13 hearing.

14 (d) Procedure for Tenant Petitioners.

15 (1) Filing. The request for arbitration must be  
16 filed on a petition form prescribed by the board and  
17 must be accompanied by such supporting material as  
18 the board shall prescribe, including but not limited  
19 to, a copy of the landlord's notice of rent  
20 increase. If the tenant petitioner has received  
21 certification findings regarding his rental unit in  
22 accordance with 37.7, such findings must accompany  
23 the petition. If the tenant petitioner has received  
24 a notification from the Chief Administrative Officer  
25 with respect to base rent and amortization of a RAP  
26 loan, such notification must accompany the petition.  
27 All applications must be accompanied by a filing fee  
28 of ten dollars (\$10); provided, however, the fee



1 shall be waived for an individual who files an  
2 affidavit under penalty of perjury stating that he or  
3 she is an indigent person who does not have and  
4 cannot obtain the money to pay the filing fee without  
5 using money needed for the necessities of life. A  
6 tenant may deduct the ten dollar (\$10) filing fee  
7 from the rent where the tenant prevails at the  
8 hearing.

9 (2) Notice to Parties. The board shall calendar the  
10 petition for hearing before a designated hearing  
11 officer and shall give written notice of the date to  
12 the parties at least ten (10) days prior to the  
13 hearing. Responses to a petition for hearing may be  
14 submitted in writing.

15 (e) Hearings.

16 (1) Time of Hearing. The hearing must be held  
17 within forty-five (45) days of the filing of the  
18 petition. The level of housing services provided to  
19 tenants' rental units shall not be decreased during  
20 the period between the filing of the petition and the  
21 conclusion of the hearing.

22 (2) Consolidation. To the greatest extent possible,  
23 hearings with respect to a given building shall be  
24 consolidated.

25 (3) Conduct of Hearing. The hearing shall be  
26 conducted by a hearing officer designated by the  
27 board. Both parties may offer such documents,  
28 testimony, written declarations or other evidence as

1 may be pertinent to the proceedings. A record of the  
2 proceedings must be maintained for purposes of appeal.

3 (4) Determination of the Hearing Officer: Rental  
4 Units. Based upon the evidence presented at the  
5 hearing and upon such relevant factors as the board  
6 shall determine, the hearing officer shall make  
7 findings as to whether or not the landlord's proposed  
8 rental increase exceeding the limitations set forth  
9 in Section 37.3 is justified or whether or not the  
10 landlord has effected a rent increase through a  
11 reduction in services or has failed to perform  
12 ordinary repair and maintenance as required by state  
13 or local law. In making such findings, the hearing  
14 officer shall take into consideration the following  
15 factors:

16 (A) Increases or decreases in operating and  
17 maintenance expenses, including, but not limited  
18 to, real estate taxes, sewer service charges,  
19 janitorial service, refuse removal, elevator  
20 service, security system, and debt service;  
21 provided however, when a unit is purchased after  
22 the effective date of this ordinance, and this  
23 purchase occurs within two (2) years of the date of  
24 the previous purchase, consideration shall not be  
25 given to that portion of increased debt service  
26 which has resulted from a selling price which  
27 exceeds the seller's purchase price by more than  
28 the percentage increase in the "Consumer Price



1 Index for All Urban Consumers for the San  
2 Francisco-Oakland Metropolitan Area, U.S.

3 Department of Labor" between the date of previous  
4 purchase and the date of the current sale, plus the  
5 cost of capital improvements or rehabilitation work  
6 made or performed by the seller.

7 (B) The past history of increases in the rent for  
8 the unit and the comparison of the rent for the  
9 unit with rents for comparable units in the same  
10 general area.

11 (C) Any findings which have been made pursuant to  
12 Section 37.7 with respect to the unit.

13 (D) Failure to perform ordinary repair,  
14 replacement and maintenance in compliance with  
15 applicable state and local law.

16 (E) Any other such relevant factors as the board  
17 shall specify in rules and regulations.

18 (5) Determination of the Hearing Officer:

19 RAP Rental Units.

20 (A) Rap Rental units in RAP areas designated prior  
21 to July 1, 1977. The hearing officer shall make  
22 findings as to whether or not the noticed or  
23 proposed rental increase exceeds the rent increase  
24 limitations set forth in Section 32.73 of the San  
25 Francisco Administrative Code. In making such  
26 findings, the hearing officer shall apply the rent  
27 increase limitations set forth in Chapter 32 of the  
28 San Francisco Administrative Code and all rules and

1 regulations promulgated pursuant thereto. The  
2 hearing officer shall consider the evidence  
3 presented at the hearing. The burden of proof  
4 shall be on the landlord.

5 (B) Rap rental units in RAP areas designated on or  
6 after July 1, 1977. The hearing officer shall make  
7 findings with respect to rent increases exceeding  
8 the limitations as set forth in Section 37.3 of  
9 this chapter. In making such findings, the hearing  
10 officer shall take into consideration the factors  
11 set forth in subsection (4) above and shall  
12 consider evidence presented at the hearing. Burden  
13 of proof is on the landlord.

14 (6) Findings of Fact. The hearing officer shall  
15 make written findings of fact, copies of which shall  
16 be mailed to the parties within 30 days of the  
17 hearing.

18 (7) Payment or Refund of Rents to Implement  
19 Arbitration Decision. If the hearing officer finds  
20 that all or any portion of the heretofore inoperative  
21 rent increase is justified, the tenant petitioner  
22 shall be ordered to pay all or a portion of that  
23 cumulative amount to the landlord within five (5)  
24 days of the mailing of the findings of fact or said  
25 amount may be ordered added to future rents, or that  
26 all or any portion of a heretofore operative rent  
27 increase is not justified, the landlord shall be  
28 ordered to pay that cumulative amount to the tenant



1 petitioner within five days of the mailing of the  
2 findings of fact or said amount may be ordered offset  
3 against future rents.

4 (8) Finality of Hearing Officer's Decision. The  
5 decision of the hearing officer shall be final unless  
6 the board vacates his decision on appeal.

7 (f) Appeals.

8 (1) Time and Manner. An appeal to the board from  
9 the determination of the hearing officer may be made  
10 within fifteen (15) days of the mailing of the  
11 findings of fact. Each tenant appeal shall be  
12 accompanied by a ten dollar (\$10) filing fee;  
13 provided, however, the fee shall be waived for an  
14 individual who files an affidavit under penalty of  
15 perjury stating that he or she is an indigent person  
16 who does not have and cannot obtain the money to pay  
17 the filing fee without using money needed for the  
18 necessities of life. Each landlord appeal shall be  
19 accompanied by a ten dollar (\$10) per unit filing  
20 fee. The appeal shall be in writing and must state  
21 why appellant believes there was either error or  
22 abuse of discretion on the part of the hearing  
23 officer. The filing of an appeal will not stay the  
24 effect of the hearing officer's decision.

25 (2) Record on Appeal. Upon receipt of an appeal,  
26 the entire administrative record of the matter,  
27 including the appeal, shall be filed with the board.  
28

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1 (3) Appeals. The board shall, in its discretion,  
2 hear appeals. In deciding whether or not to hear a  
3 given appeal, the board shall consider, among other  
4 factors, fairness to the parties, hardship to either  
5 party, and promoting the policies and purposes of  
6 this chapter, in addition to any written comments  
7 submitted by the hearing officer whose decision is  
8 being challenged. The board may also review other  
9 material from the administrative record of the matter  
10 as it deems necessary. A vote of three (3) members  
11 shall be required in order for an appeal to be heard.

12 (4) Remand to Hearing Officer without Appeal

13 Hearing. In those cases where the board is able to  
14 determine on the basis of the documents before it  
15 that the hearing officer has erred, the board may  
16 remand the case for further hearing in accordance  
17 with its instructions without conducting an appeal  
18 hearing. Both parties shall be notified as to the  
19 time of the re-hearing, which shall be conducted  
20 within thirty (30) days of remanding by the board.  
21 In those cases where the board is able to determine  
22 on the basis of the documents before it that the  
23 hearing officer's findings contain numerical or  
24 clerical inaccuracies, or require clarification, the  
25 board may continue the hearing for purposes of  
26 re-referring the case to said hearing officer in  
27 order to correct the findings.  
28

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1           (5)   Time of Appeal Hearing; Notice to Parties.

2       Appeals accepted by the board shall be heard within  
3       forty-five (45) days of the filing of an appeal.  
4       Within thrity (30) days of the filing of an appeal,  
5       both parties shall be notified in writing as to  
6       whether or not the appeal has been accepted. If the  
7       appeal has been accepted, the notice shall state the  
8       time of the hearing and the nature of the hearing.  
9       Such notice must be mailed at least ten (10) days  
10      prior to the hearing.

11          (6)   Appeal Hearing; Decision of the Board. At the

12      appeal hearing, both appellant and respondent shall  
13      have an opportunity to present oral testimony and  
14      written documents in support of their positions.  
15      After such hearing and after any further  
16      investigation which the board may deem necessary the  
17      board may, upon hearing the appeal, affirm, reverse  
18      or modify the hearing officer's decision or may  
19      remand the case for further hearing in accordance  
20      with its findings. The board's decision must be  
21      rendered within forty-five (45) days of the hearing  
22      and the parties must be notified of such decision.

23          (7)   Notification of the Parties. In accordance  
24      with item (6) above, parties shall receive written  
25      notice of the decision. The notice shall state that  
26      this decision is final.

27      ///

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1 [Sec. 37.9 Amended by Ord. effective November 19, 1984]

2 Section 37.9. Evictions. Notwithstanding Section 37.3, this  
3 section shall apply as of August 24, 1980, to all landlords and  
4 tenants of rental units as defined in Section 37.2(o).

5 (a) A landlord shall not endeavor to recover possession  
6 of a rental unit unless:

7 (1) The tenant has failed to pay the rent to  
8 which the landlord is lawfully entitled under the  
9 oral or written agreement between the tenant and  
10 landlord or habitually pays the rent late or gives  
11 checks which are frequently returned because there  
12 are insufficient funds in the checking account; or

13 (2) The tenant has violated a lawful obligation  
14 or covenant of tenancy other than the obligation  
15 to surrender possession upon proper notice and  
16 failure to cure such violation after having  
17 received written notice thereof from the landlord;  
18 or

19 (3) The tenant is committing or permitting to  
20 exist a nuisance in, or is causing substantial  
21 damage to, the rental unit, or is creating a  
22 substantial interference with the comfort, safety  
23 or enjoyment of the landlord or other tenants in  
24 the building, and the nature of such nuisance,  
25 damage or interference is specifically stated by  
26 the landlord in the writing as required by Section  
27 37.9(b); or  
28

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1 (4) The tenant is using or permitting a rental  
2 unit to be used for any illegal purpose; or  
3 (5) The tenant, who had an oral or written  
4 agreement with the landlord which has terminated,  
5 has refused after written request or demand by the  
6 landlord to execute a written extension or renewal  
7 thereof for a further term of like duration and  
8 under such terms which are materially the same as  
9 in the previous agreement provided that such terms  
10 do not conflict with any of the provisions of this  
11 chapter; or  
12 (6) The tenant has, after written notice to  
13 cease, refused the landlord access to the rental  
14 unit as required by state or local law; or  
15 (7) The tenant holding at the end of the term of  
16 the oral or written agreement is a subtenant not  
17 approved by the landlord; or  
18 (8) The landlord seeks to recover possession in  
19 good faith, without ulterior reasons and with  
20 honest intent, for the landlord's use or occupancy  
21 as his or her principal residence, or for the use  
22 and occupancy as the principal residence of the  
23 landlord's children, parents, grandparents,  
24 grandchildren, brother or sister, or the  
25 landlord's spouse or the spouses of such  
26 relations, for a period of at least 12 continuous  
27 months. For purposes of this subsection, the term  
28 landlord shall be defined as an owner of record of

1 at least 10% interest in the property. A landlord  
2 may not recover possession under this subsection  
3 if a comparable unit in the building is already  
4 vacant and available, or if such a unit becomes  
5 vacant and available during the period of the  
6 notice terminating tenancy. If a comparable unit  
7 does become vacant and available during said  
8 notice period, the landlord shall rescind the  
9 notice to vacate. It shall be rebuttably presumed  
10 that the landlord has not acted in good faith if  
11 the owner or relative for whom the tenant was  
12 evicted does not move into the unit and occupy  
13 said unit for a minimum of 12 continuous months; or  
14 (9) The landlord seeks to recover possession in  
15 good faith in order to sell the unit in accordance  
16 with a condominium conversion approved under the  
17 San Francisco subdivision ordinance and does so  
18 without ulterior reasons and with honest intent; or  
19 (10) The landlord seeks to recover possession in  
20 good faith in order to demolish or to otherwise  
21 permanently remove the rental unit from housing  
22 use and has obtained all the necessary permits on  
23 or before the date upon which notice to vacate is  
24 given, and does so without ulterior reasons and  
25 with honest intent; or  
26 (11) The landlord seeks in good faith to remove  
27 temporarily the unit from housing use in order to  
28 be able to carry out capital improvements or



1 rehabilitation work and has obtained all the  
2 necessary permits on or before the date upon which  
3 notice to vacate is given, and does so without  
4 ulterior reasons and with honest intent. Any  
5 tenant who vacates the units under such  
6 circumstances shall have the right to reoccupy the  
7 unit at the prior rent adjusted in accordance with  
8 the provisions of this chapter. The tenant will  
9 vacate the unit only for the minimum time required  
10 to do the work. In addition to the above, no  
11 landlord shall endeavor to recover possession of  
12 any unit subject to a RAP loan as set forth in  
13 Section 37.2(k) of this chapter except as provided  
14 in Section 32.69 of the San Francisco  
15 Administrative Code; or

16 (12) The landlord seeks to recover possession in  
17 good faith in order to carry out substantial  
18 rehabilitation, as defined in Sec. 37.2(q), and  
19 has obtained all the necessary permits on or  
20 before the date upon which notice to vacate is  
21 given, and does so without ulterior reasons and  
22 with honest intent. Notwithstanding the above, no  
23 landlord shall endeavor to recover possession of  
24 any unit subject to a RAP loan as set forth in  
25 Section 37.2(k) of this chapter except as provided  
26 in Section 32.69 of the San Francisco  
27 Administrative Code.  
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1           (b)       A landlord who resides in the same rental unit with  
2 his or her tenant may evict said tenant without just cause as  
3 required under subsection (a) above.

4           (c)       A landlord shall not endeavor to recover possession of  
5 a rental unit unless at least one of the grounds enumerated in  
6 subsections (a) or (b) above is the landlord's dominant motive  
7 for recovering possession and unless the landlord informs the  
8 tenant in writing on or before the date upon which notice to  
9 vacate is given of the grounds under which possession is sought  
10 and that advice regarding the notice to vacate is available from  
11 the Residential Rent Stabilization and Arbitration Board, before  
12 endeavoring to recover possession.

13           (d)       No landlord may cause a tenant to quit involuntarily  
14 or threaten to bring any action to recover possession, or  
15 decrease any services, or increase the rent, or take any other  
16 action where the landlord's dominant motive is retaliation for  
17 the tenant's exercise of any rights under the law. Such  
18 retaliation shall be a defense to any action to recover  
19 possession. In an action to recover possession of a rental unit,  
20 proof of the exercise by the tenant of rights under the law  
21 within 6 months prior to the alleged act of retaliation shall  
22 create a rebuttable presumption that the landlord's act was  
23 retaliatory.

24           (e)       It shall be unlawful for a landlord or any other  
25 person who willfully assists the landlord to endeavor to recover  
26 possession or to evict a tenant except as provided in Sec.  
27 37.9(a) and (b). Any person endeavoring to recover possession of  
28 a rental unit from a tenant or evicting a tenant in a manner not

1 provided for in Sec. 37.9(a) or (b) without having a substantial  
2 basis in fact for the eviction as provided for in Sec. 37.9(a)  
3 shall be guilty of a misdemeanor and shall be subject, upon  
4 conviction, to the fines and penalties set forth in Sec. 37.10.  
5 Any waiver by a tenant of rights under this chapter shall be void  
6 as contrary to public policy.

7 (f) Whenever a landlord wrongfully endeavors to recover  
8 possession or recovers possession of a rental unit in violation  
9 of Sections 37.9 and/or 37.10 as enacted herein, the tenant or  
10 board may institute a civil proceeding for injunctive relief,  
11 money damages of not less than three times actual damages, and  
12 whatever other relief the court deems appropriate. The  
13 prevailing party shall be entitled to reasonable attorney's fees  
14 and costs pursuant to order of the court. The remedy available  
15 under this subsection shall be in addition to any other existing  
16 remedies which may be available to the tenant or the board.

17 [Sec. 37.10 Amended by Ord. #20-84 effective February 19, 1984].

18 Sec. 37.10 A. Misdemeanors. It shall be unlawful for a  
19 landlord to increase rent or rents in violation of the decision  
20 of a hearing officer or the decision of the board on appeal  
21 pursuant to the hearing and appeal procedures set forth in  
22 Section 37.8 of this chapter. It shall further be unlawful for a  
23 landlord to charge any rent which exceeds the limitations of this  
24 chapter. Any person who increases rents in violation of such  
25 decisions or who charges excessive rents shall be guilty of a  
26 misdemeanor. Any person convicted of a misdemeanor hereunder  
27 shall be punishable by a fine of not more than \$2,000.00 or by  
28 imprisonment in the County Jail for a period of not more than six



1 (6) months, or by both. Each violation of the decision of a  
2 hearing officer or the decision of the board on appeal as set  
3 forth above shall constitute a separate offense.

4 [Sec. 37.11 Amended by Ord. #20-84 effective February 19, 1984].

5 Sec. 37.11 A. Civil Actions. Whenever a landlord charges  
6 a tenant a rent which exceeds the limitations set forth in this  
7 chapter, or retaliates against a tenant for the exercise of any  
8 rights under this chapter, the tenant may institute a civil  
9 proceeding for money damages. The prevailing party in any civil  
10 action brought under this section shall be entitled to recover  
11 reasonable attorneys' fees and costs. The remedy available under  
12 this section shall be in addition to any other existing remedies  
13 which may be available to the tenant.

14 Section 2. The San Francisco Administrative Code is  
15 hereby amended bby renumbering Section 37.14, Severability, to  
16 Section 37.12, reading as follows:

17 Sec. 37.12. Severability. If any provision of clause of  
18 this chapter or the application thereof to any person or  
19 circumstance is held to be unconstitutional or to be otherwise  
20 invalid by any court of competent jurisdiction, such invalidity  
21 shall not affect other chapter provisions, and clauses of this  
22 chapter are declared to be severable.

23 Section 3. Section 37.3, 37.10, 17.11, and 37.13 of the  
24 San Francisco Administrative Code are hereby repealed.

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1  
2 APPROVED AS TO FORM:

3 GEORGE AGNOST, City Attorney  
4  
5

6 By \_\_\_\_\_  
7 Deputy City Attorney  
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9 [Feb. 26, 1985)  
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